

PACKAGING FEDERAL FUNDING FOR PROJECT FINANCING



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PRESENTED BY:

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WWW.PROSPERITYAGENERGY.COM



- Our mission is to be the best in the business at seeking funding for clients. We endeavor to strengthen communities, empower entrepreneurs and foster growth for farms and businesses by providing resources, knowledge and by writing successful proposals that enhance cash flow, create jobs, and nurture the rural environment.
- Goals
 - Strengthen communities
 - Empower entrepreneurs
 - Foster growth for farms and businesses in Ag and renewable energy





- Full service funding opportunities development firm
 - Grant writing
 - Guaranteed loans
- Grant Administration
 - Communications and messaging
 - Speaking
- State and Federal contacts
 - USDA, EPA and USDOE



Sarah Aubrey, Principal



- Written over 400 successful grants among 29 states, since 2007
- Grants have yielded nearly \$50 million
- Certified grant administrator
- Leadership focus
 - 2010-2011 class of Richard G. Lugar Excellence in Public Service Series
 - 2010 graduate of Indiana Agricultural Leadership Program





- Renewable Energy
 - Biofuels, biomass, methane capture, wind, solar and geothermal
- Entrepreneurship
 - For rural areas, energy technology developers, and on farms
- Energy Efficiency
 - Irrigation, manufacturer retrofits, farm equipment, lighting, fans, HVAC, greenhouse, municipal waste water plants, etc.
- Energy Technology
 - Alternative fuels and energy technology equipment
- Conservation Sustainability/ Redevelopment
 - Brownfield's, green building, farm practices, grass and woodlands



- Project assessment and feasibility funding source evaluation
- Grant writing
 - Proposal development
 - Application filing
 - General grant administrations
- Grant reporting following award
- Energy audits
 - Outsource within our network
- Guaranteed loan applications





- Liaison with government agencies and funding organizations
- Professional speaking services
- General communications
 - Placing articles in trade journals
 - Press releases
 - Media relations
- Educational webinars and training

Outsourcing Services with Prosperity Network



- Energy Audits
- Lending Agencies
- Environmental Assessments
- Project Engineering and Design



What IS a Grant?



- Dollars you receive from an agency, foundation or organization paid/given directly to you or your organization.
- They do not have to be paid back.
- Dollars are usually reimbursement – Not paid up front.
- A grant is for a specific purpose – You validate the dollars are used for a project.

What a Grant is NOT!



- Loan
- Free Money
- Tax Free
- Without Work
- Easy to Obtain
- A RESCUE for a Failing Business



What are Government Loans?



1. **Direct Loan:** You receive a loan from the Agency and sign a contract.
2. **Guaranteed Loan:**
 - You borrow from a lender.
 - You and lender complete application to Agency.
 - Agency guarantees the bank a percentage of amount your borrowed if you default.

Government Loans...



- Why use loans?
- Can a Loan be used with a Grant?
- Is there a limit to the loan amount?

Possible Solar Programs –USDA REAP



- Successful program since 2004
- Commonly used in Indiana
- Funding concerns for next round, stay tuned

Rural Energy for America Program (REAP) Grant



REAP Grant Rules:

- Applicants have 2 years to use the funds after notice of grant award!
- Applicant can start project after the date of grant application submission!

Rural Energy for America Program (REAP) Grant

- **Grant Request**

- Up to 25% of eligible project costs
- Annual funding cycle
- Nationally competitive

*Set-aside for Grants of \$20,000 or less

- **Grant Amounts**

- Depends on project type

- **Energy Efficiency**

- Minimum: \$1,500
- Maximum: \$250,000

- **Renewable Energy**

- Minimum: \$2,500
- Maximum: \$500,000

- **Grant Uses**

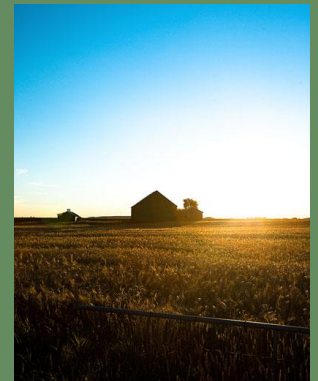
- Purchase and installation of renewable energy systems or improvements in energy efficiency

- **Applicant Types**

- Ag Producers and Rural Small Businesses –no residential

- **Community size**

- Population up to 50,000, waived if ag Producer



Rural Energy for America Program (REAP) Grant

Project Eligibility

- **Renewable Energy – Energy derived from:**
 - ✦ Wind
 - ✦ Solar
 - ✦ Renewable biomass (includes anaerobic digestion)
 - ✦ Ocean
 - ✦ Geothermal
 - ✦ Hydroelectric source
 - ✦ Hydrogen derived from renewable biomass or water using one of the above energy sources
 - ✦ Hydropower

**Feasibility study required when TPC exceeds \$200,000*

Rural Energy for America Program (REAP) Grant

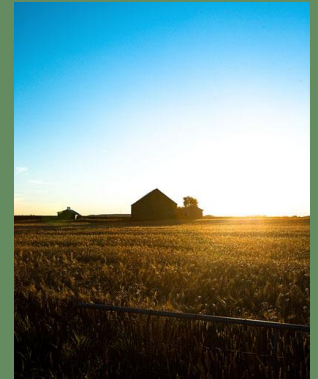
What is Ineligible?

- Debt Refinancing
- Using as a Line of Credit
- Agricultural tillage equipment
- Used Equipment
- Vehicles
- Application Preparation Fees
- Storage-Only Equipment

Rural Energy for America Program (REAP) Guaranteed Loan



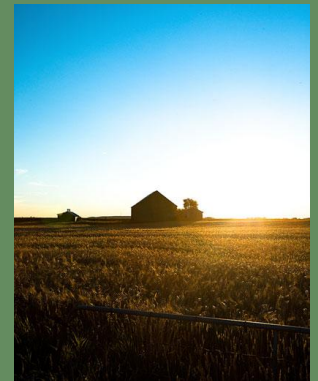
- **Loan Limits**
 - Loans up to 75% of the project's cost
 - Maximum of \$25 million, minimum of \$5,000
- **Maximum Percentage of Guarantee**
 - 85% for loan of \$600,000 or less
 - 80% for loans greater than \$600,000
 - 70% for loans greater than \$5 million
 - 60% for loans greater than \$10 million
 - Minimum: \$2,500
 - Maximum: \$500,000



Possible Solar Programs-Department of Energy



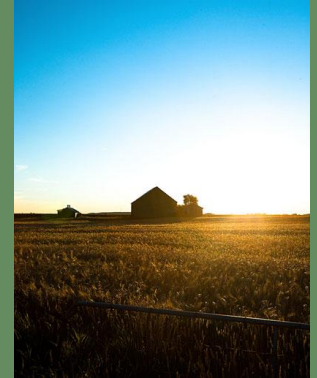
- **Programs administered through state OED**
 - May offer grants in late fall/ winter
 - Check site regularly at www.in.gov/oed/
- **Federal Solar Grants**
 - Search of www.grants.gov , yields options
 - Many for research or major projects through states, initiatives
 - Less options for solar in general business situations
 - Partnerships or very large projects the norm



Possible Grants for Solar-Indiana OCRA



- **Not specifically a solar program, but...**
 - Next round of funding in spring (schedule)
 - I am a Certified Grant Administrator-required
 - Check site regularly at www.ocra.in.gov
- **Planning and Implementation Grants**
 - Consider using solar technology for projects/upgrades
 - Projects must meet national objectives, but solar could be used
 - For qualifying communities only, not private industry



Creating Funding Packages



COMMON EXAMPLE

- Federal Grant -25 percent
- Federal Loan Guarantee-50 percent
- Private Equity-25 percent

TAX CREDIT EXAMPLE

- Federal Grant -25 percent
- Payments in lieu of tax credit (1603)? 10-20 percent
- Private Equity-30 percent
- Loan Guarantee 25 percent

Creating funding Packages, cont.



PARTICIPATING IN A RETROFIT

- OCRA Assistance Program-50 percent
- Loan -25 percent
- Private Equity-25 percent
- USDA REAP grant 25 percent
- USDA REAP Guaranteed Loan 50 percent
- Technology Provider Equity 10 percent
- Private Equity 15 percent

Grants as a Selling Tool



- Manufacturers have been successful with this angle
- Don't over sell the program-there are limitations
- Decide who will write the grants-you, consultant, client?
- Be certain your solutions fit the grant-it is not the other way around!

Where are You Searching for Funds?



- Federal dollars (USDA/DOE, etc)
- State energy programs and development programs
- Investors/Manufacturers
- Partners in Community, university and private sectors
- Private Foundations
- Consultant assistance

Not only Grants...



- Tax Credits
- Payments in lieu of tax credit
- Assistance Programs offered/rebates
- Loans and Guarantees
- Partnerships!-Very important for many projects



Join our Funding Opportunities Newsletter!

email: sarah@prosperityagenergy.com

Includes:

Monthly list of funding options for renewable energy projects, articles about how applicants have successfully used grants, and list of speaking dates for *Prosperity* Principal, Sarah Aubrey



Contact

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